

EXPLORATION PREVIEW

NWT - 1987

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SLAVE PROVINCE

NORTHERN SLAVE PROVINCE

All projects in this area mentioned below are gold exploration projects. Numbers refer to Figure 1.

Back River Joint Venture will probably resume exploration of their numerous claims and prospecting permits in the Beechey Lake area (6). Work is likely to include prospecting, sampling, geological mapping and drilling.

It is as yet unknown whether Bow Valley Industries Ltd. will resume exploration in the Contwoyto Lake area (2).

Assuming adequate financing can be obtained CAIUC Resources Inc. will continue to explore their property near Arcadia Bay (4). Drilling would likely be an important part of the program.

Cassiar Mining Limited as successor to Brinco Limited may have a program on the WEST claim west of Lupin Mine (2). The program would comprise geophysics and diamond drilling.

Cominco Ltd. will probably be active in the Contwoyto Lake area (2). Work may comprise airborne and ground geophysics, geological mapping and diamond drilling. Two other projects (3,8) in the northern and the eastern Slave Province may be conducted.

Contwoyto Gold Fields Ltd. has not as yet formulated plans for continued exploration of its Contwoyto Lake area property, but may have a program.

Echo Bay Mines Limited plans a program including drilling mainly in the Lupin Mine area (2) and some in Bathurst Inlet area.

Giant Yellowknife Mines Limited may be working in three areas in the northern Slave Province: Regan Lake area (ALGOOD claims)(7), the Contwoyto Lake area (2), and possibly the Point Lake area (TREE claims) (1).

Hesla Mining Company of Canada Ltd. will conduct a program which includes drilling in the Contwoyto Lake area (2).

Silver Hill Mines Ltd. is expecting to do prospecting, detailed geological mapping, and trenching at the FARN-KNUT and TURNER-TURN claim groups (5).

Viab Mines Limited will be exploring claims in the Contwoyto Lake area (2) as well as performing regional reconnaissance.

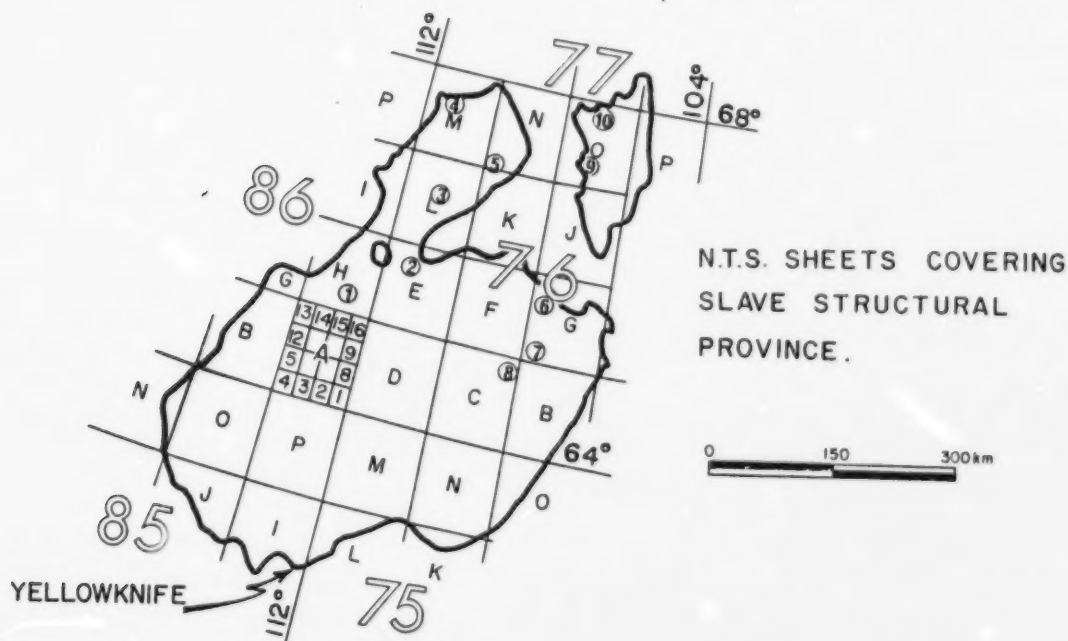


Figure 1: Exploration expected in the Northern Slave Structural Province.

NORTHEASTERN SLAVE PROVINCE - BATHURST BLOCK

Numbers refer to Figure 1.

Cbeveco Minerals Ltd. plan to work on gold showings associated with amphibolite iron formation (9), east of Bathurst Inlet, optioned from prospectors Kizan & Anderson.

Echo Bay Mines Limited will be mapping and drilling southeast of Bathurst Inlet.

Silver Hill Mines Ltd. and Vantaies Resources Ltd. will conduct geophysical surveys and drilling on the GNT, FOX and CHAR claims.

A few companies and individuals have expressed an interest in the Hope Bay volcanic belt (10). Plans by the Geology Division of INAC to continue mapping in this area have been postponed until the resources necessary to continue this work becomes available.

SOUTHERN SLAVE PROVINCE

Exploration anticipated in the southern Slave Structural Province in 1987 will be mainly, if not exclusively, for gold. Figure 2 is a generalized claim map of the southern Slave Province showing the main areas of activity. It is expected that most exploration dollars will be spent in the Indian Lake, Russell-Simon Lakes and Courageous-Mackay Lakes areas. Fifteen higher-cost projects involving drilling are expected, and these alone will cost at least \$12 million. Total exploration expenditures in the southern Slave in 1987 will probably be at least \$20 million dollars.

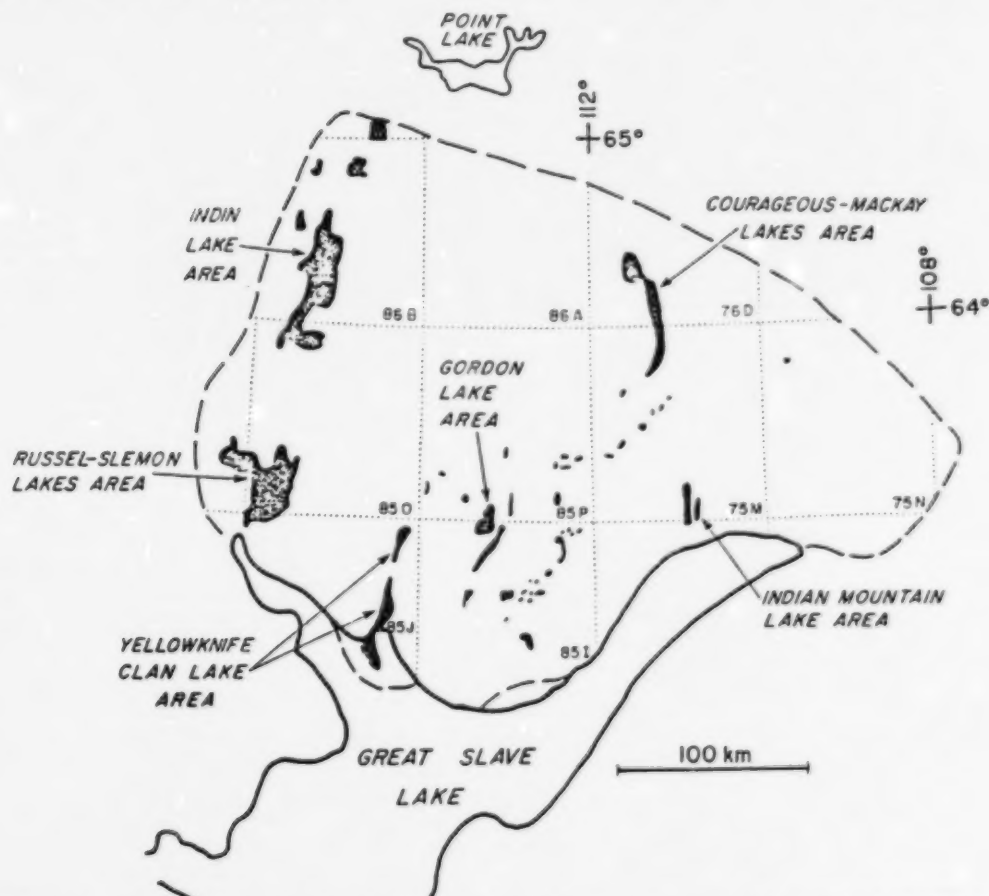


Figure 2. Sketch claim map of the Southern Slave Province showing main areas of anticipated 1987 exploration.

Indian Lake Area:

On the KIM claims, Echo Bay Mines Limited is currently (Feb./87) drilling the Cass Zone, an auriferous gabbro sill discovered in 1985 several kilometres southwest of the Main Zone, which was the focus of previous

exploration. A total of 5200 m will be drilled on the Cass Zone by the end of March 1987, and will be followed in the summer by detailed mapping, trenching and sampling. Echo Bay will also explore the SPAN claims, several kilometres north of the KIM property, and will conduct grassroots exploration in other parts of the Slave Province. Both the SPAN and KIM claims are held under joint-venture agreements with Complex Resources International Ltd. and Petromat Resources Limited.

Neptune Resources Corp. is proposing to develop the COLMAC property, which comprises 68 claims 8 km northeast of the KIM claims. As operator, Neptune will earn a 60% interest from Jobbery Mines by spending \$4.5 million over four years on drilling, metallurgical testing, mine planning and a production feasibility study. Exploration prior to 1986 defined 11.8 million tonnes grading 2.9 ppm gold in a quartz-albite dike (Colomac Dike). An open-pit mine employing a vat-leach process to recover gold is envisioned. Work planned in 1987 includes diamond drilling, bulk sampling, and a 13,600 tonne demonstration vat leach.

Suncor Incorporated will continue to explore Treasure Island Resources Corporation's properties in the Spider Lake area.

Other companies who have recently acquired property in the Indian Lake area and can therefore be expected to explore in the area include Aber Resources Ltd., Cominco Ltd., Echo Bay Mines Limited, Highwood Resources Limited, Mountain Lode Mines, Noranda Exploration Company Ltd. and Stratabound Minerals Corporation. Recently staked properties are also held by 10 individuals.

Russell-Simon Lakes Area:

Aber Resources Ltd.'s 1986 announcement of ore-grade gold intersections in iron formation drilled on the BUGOW claims in the Russell-Simon Lakes area prompted a flurry of staking in that area. Aber Resources Ltd. will continue to develop their properties in the area, and have budgeted for 3000 m of drilling.

Canemex Resources Inc. will drill 900 m on property optioned from Boswell Gold Mines Ltd. in the Mosher Lake area.

Noranda Exploration Company Ltd. may drill on properties optioned from Inter-globe Resources Ltd., Ghost Lake Resources and J. Mason.

Property holders who staked ground in 1986, and who can be expected to explore these properties in 1987 or 1988, include Anglo Celtic Exploration Limited, Canemex Resources Inc., Continental Pacific Resources Limited, Hemisphere Development Corp., Highwood Resources Limited, Kelmei Resources Limited, Noranda Exploration Company Ltd., Stratabound Minerals Corporation, Viscount Resources Ltd. and several individuals.

Courageous-Mackay Lakes Area:

Aber Resources Ltd. will drill 2000 m on the JAX claims.

Carbury Resources Limited of Calgary is planning an exploration on property optioned from Aber Resources Ltd.

Getty Resources Limited and Noranda Exploration Company Ltd. will continue to work the Tundra Joint Venture property north of Salmits, where a sizeable gold deposit is being outlined in felsic volcanics. At least 6000m of diamond drilling is planned.

Giant Yellowknife Mines Limited will drill about 5000 m on their properties in the Salmits Mine area.

Placer Development Limited will drill 3000 m on the DEC claims at the north end of the Courageous Lake-Mackay Lake Volcanic Belt.

Bow Valley Industries will drill this spring on property optioned from Courageous Exploration Limited, which is owned by Savara Resources and American Chromium Limited. Bow Valley has agreed to spend \$5 million on exploration to earn a 60% interest in one of four properties held by Courageous Exploration in the area.

Yellowknife Area:

South of Yellowknife, Golden Merlin Mines Limited will be spending about \$1 million to explore claims covering the possible southern extension of the Campbell Shear Zone (the main productive zone at Nerco Con Mine) under the waters of Yellowknife Bay. In addition to drilling as much as 4000 metres, including 400 short holes on a grid from the ice, a marine IP survey and detailed geological mapping of islands are planned in the summer.

Other companies that are expected to conduct exploration or development in the Yellowknife area in 1987 include Cominco Ltd., Giant Yellowknife Mines Limited, Kelmei Resources Limited, L.B. Halferdahl and Associates, Nerco Minerals Company, Noranda Exploration Company Ltd., Tremco Resources Ltd., and Urb Mines Limited.

Cian Lake Area:

Canemex Resources Inc. plans to drill 900 metres on the NOSE claims, obtained by option from Precombition Shield Resources Limited and Nunee Oil and Gas Ltd.

Ironmin Resources Ltd. completed 500 metres of drilling on the MON claims early in 1987.

Gordon Lake Area:

Giant Bay Resources Ltd. will continue underground development of the Kidney Pond Zone at Knight Bay. Anticipated work includes 100 m of drifting, 150 m of raising, 600 m of underground diamond drilling and test milling of about 2000 tonnes of ore.

Lightning Minerals Inc. is expected to drill 1200 m to test turbidite-hosted auriferous quartz veins on the TT claims in the Dome Lake area. A 150 m decline will be driven to obtain a bulk sample of a gold-bearing structure called the Lambert Vein.

Utah Mines Limited is expected to explore claims staked in 1986 near Fenton Lake.

Several other small exploration programs can be expected in the Gordon Lake area, which attracts individual prospectors and junior companies because of its proximity to Yellowknife and endowment in turbidite-hosted gold-bearing quartz veins.

Indian Mountain Lake Area:

Giant Yellowknife Mines Limited, in joint venture with Asamera Inc. and Kelmet Resources Limited, will explore the BRI and GYM claims in the Indian Mountain Lake area. This work may include drilling if targets are found.

Companies that have recently staked ground in the area and can be expected to conduct programs are Asamera Incorporated, A. Shearcroft, Kelmet Resources Limited, Noranda Exploration Company Ltd., and Utah Mines Limited.

Other Areas in The Southern Slave Province:

The following projects can be located on Figure 2 with reference to the given NTS designations.

In January of 1987, Equinox Resources Limited completed bulk sampling on claims covering lithium-bearing pegmatites in 85 I/2,7.

Noranda Exploration Company Ltd. will explore claims in the Sunset Lake area (85 I/16).

Terra Mines Ltd. will continue test mining and underground development at Bullmoose Mine (85I/7), and will drill 1200 m on holdings at Spencer Lake (85P/1).

Planned Geology Division Projects

Detailed mapping of Russell Lake area supracrustals will be continued by Project Geologist V. Jackson in June and part of July. Ultimately 1:50,000-scale geological maps of the area will be produced.

In July and August, Jackson will continue 1:50,000 mapping of Kathawehaga Lake area supracrustal rocks (76 L).

J.B. Seaton will continue mapping along the east end of the Ingraham Trail.

D. Atkinson, University of Western Ontario, will continue studies of the Western Plutonic complex, contributing to new 1:50,000-scale maps of 85 J/8, 9, & 16 and determining what, if any, relation the granitoids have to the shear zone gold deposits in the Yellowknife greenstones. This field research will be the basis of a Ph.D. thesis.

J.A. Brophy will continue studies of gold quartz veins in the Yellowknife Supergroup turbidites, mainly in the Yellowknife Supracrustal Basin.

D. Roach will begin mapping the Beniah Lake shear zone which extends northerly through the Beaulieu River volcanic belt for at least 100 km.

Detailed mapping of parts of the Yellowknife Volcanic Belt will continue under direction of H. Helmstaedt (Queen's University), J.A. Donaldson (Carleton University), and W.A. Padgham.

Additional projects that may be assisted by the Geology Division include:

- (1) Detailed mapping in the Cameron River and Point Lake areas, T. Kusky (John Hopkins University) and C. Issachson (Washington University, St. Louis);
- (2) Studies of the Giant Bay gold property in Gordon Lake (T. Stokes, Dalhousie);
- (3) Studies of the Anialik River gold quartz veins on Coronation Gulf (under the direction of E.T.C. Spooner, University of Toronto);

(4) Structural studies of supracrustal rock in the Slave Province (W.K. Fyson, University of Ottawa).

BEAR STRUCTURAL PROVINCE

Letters refer to Figure 3.

C.E.G.B. Exploration (Canada) Ltd. will continue uranium exploration in the Longton Lake and Hottah Lake area (A). Such exploration will probably be combined with regional surveys in the Northern Great Bear Volcanic Complex.

Egoulox Resources Limited will be exploring the Muskox Intrusion (B), mainly for platinum group metals. The program will include drilling.

International Platinum Ltd. will explore the Muskox Intrusion (B), for platinum group metals by airborne and ground geophysics, geological mapping, prospecting and drilling.

EAST ARM FOLD BELT

Bapere Resources Ltd. are attempting to fund exploration of a former Au-W-Cu producer on the Outpost Islands.

Blatchford Lake Complex:

Highwood Resources Limited and Becla Mining Company of Canada Ltd. may dewater underground workings at the Thor Lake T-Zone. Meanwhile feasibility studies continue.

In January 1987, Highwood Resources Limited staked the PGE claim over part of the Caribou Lake gabbro which includes olivine norite. They are expected to assess the potential of these rocks for platinum group elements.

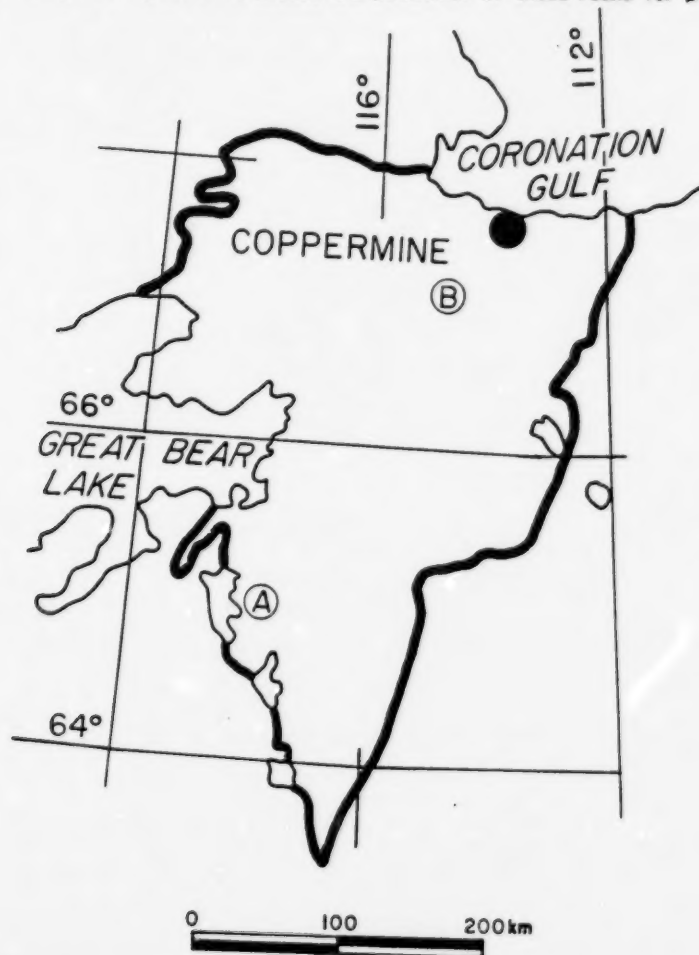


Figure 3: Exploration expected in the Bear Structural Province.

KEEWATIN REGION

Most of the exploration in the Keewatin Region in 1987 will be for gold and platinum group elements. Only two companies will explore for uranium. Numbers in the text refer to Figure 4.

Abermido Corporation, in joint venture with Homestake Mineral Development Co., will explore for gold on their SUNDOG #1 claim east of Bernier Lake (1) by prospecting, geological mapping, geochemical sampling and geophysical surveying.

Borealis Exploration Company Ltd. expects to spend 3.5 to 4.0 million dollars in 1987 on the SUSAN claims and surrounding area (9). Geophysical surveying and diamond drilling are planned. Pilot testing of the ore will be done also. Borealis Exploration Company Ltd. has a 1.5 to 2.0 million dollar exploration program planned for their new prospecting permit areas near Kaminak Lake (7) and Ferguson Lake (3). The program includes reconnaissance mapping and sampling and reassessment of old showings. Exploration is for gold, silver and platinum. On their permit areas south and west of Cariboo Horn Lake (9), northwest of Kaminak Lake (6) and west of Yandle Lake (3), ground VLF-EM, magnetic and Max-Min surveys will be done and possibly diamond drilling. Borealis will conduct geological mapping, sampling, ground geophysical surveys and possibly drilling on the property south of Whale Cove (10) and in the Pistol Bay area (12).

A 13-person crew from Canadian Nickel Company Ltd. will resume gold exploration on their permit areas and claims near Whale Cove (11). Mapping, prospecting and diamond drilling are planned.

Comaplex Resources Ltd., in joint venture with Asamera Incorporated, has plans for three projects in 1987. On the Baker Lake Project, Asamera will explore for gold in two areas. In the southwest block on the MOON claims (16), diamond drilling and HLEM are planned. In the Meadowbank River area (19, 20), geological mapping, gridding, prospecting, ground and airborne VLF-EM and magnetic surveys are planned. On their Parker Lake area permits (14), Comaplex expects to follow up gold exploration done in 1986 with geological mapping, gridding, geophysical and geochemical surveying and prospecting. They are also planning structural mapping, high resolution magnetic surveying and possibly leach testing of mine tailings in the Rankin Inlet area (13), where the target is platinum group elements.

Giant Yellowknife Mines Ltd. anticipates mapping, trenching and possibly airborne and/or ground geophysics on claims west of Baker Lake (15).

Homestake Minerals Ltd. will conduct reconnaissance prospecting and mapping on their new permit area near Ferguson Lake (5). Exploration will be for platinum group elements. Exploration for gold in the Yathkeyed Lake area (4) will continue in 1987. Drilling is expected.

Noble Peak Resources Ltd. will geophysically survey and diamond drill their prospecting permit area northwest of Happotiyik Lake (8). Their target is gold.

PNC Exploration (Canada) Ltd., in joint venture with Uranengesellschaft Canada Ltd., will resume exploring for uranium south of Schultz Lake (18). A 10-week program is planned, with a 16-person crew. Detailed ground geophysics, geochemistry and geological mapping will be done over several targets. An airborne DIGHEN EM, gravity and resistivity survey is also planned.

Suomist Energy '84 Inc. will spend 1.1 million dollars on their gold showing in the Maguse Lake area (2). Airborne EM and magnetic surveying, diamond drilling, till sampling and geological mapping are expected.

Uranengesellschaft Canada Ltd. will resume delineation drilling on their Lone Gull uranium deposit (17). Pre-feasibility geochemical studies will also be done.

CHURCHILL PROVINCE WEST OF THE KEEWATIN DISTRICT

Nonacho Lake Area

Enexco International Limited will continue to drill geophysical anomalies in the Rutledge Lake mylonite-ultramafic belt for nickel, copper and platinum group elements.

Perry River Area

H. Magrum is organizing a project to explore the PLATINUM 1 claim which contains a showing from which assays of up to 0.08 oz/t platinum have been reported.

ARCTIC ISLANDS REGION

Northern Baffin Island

Naglisivik Mines Ltd. will continue exploration with underground drilling in the lower zone, surface drilling and geophysics near the mine and are considering regional reconnaissance.

Central Arctic Area

Cominco Ltd. will continue drilling in the vicinity of the Polaris Mine.

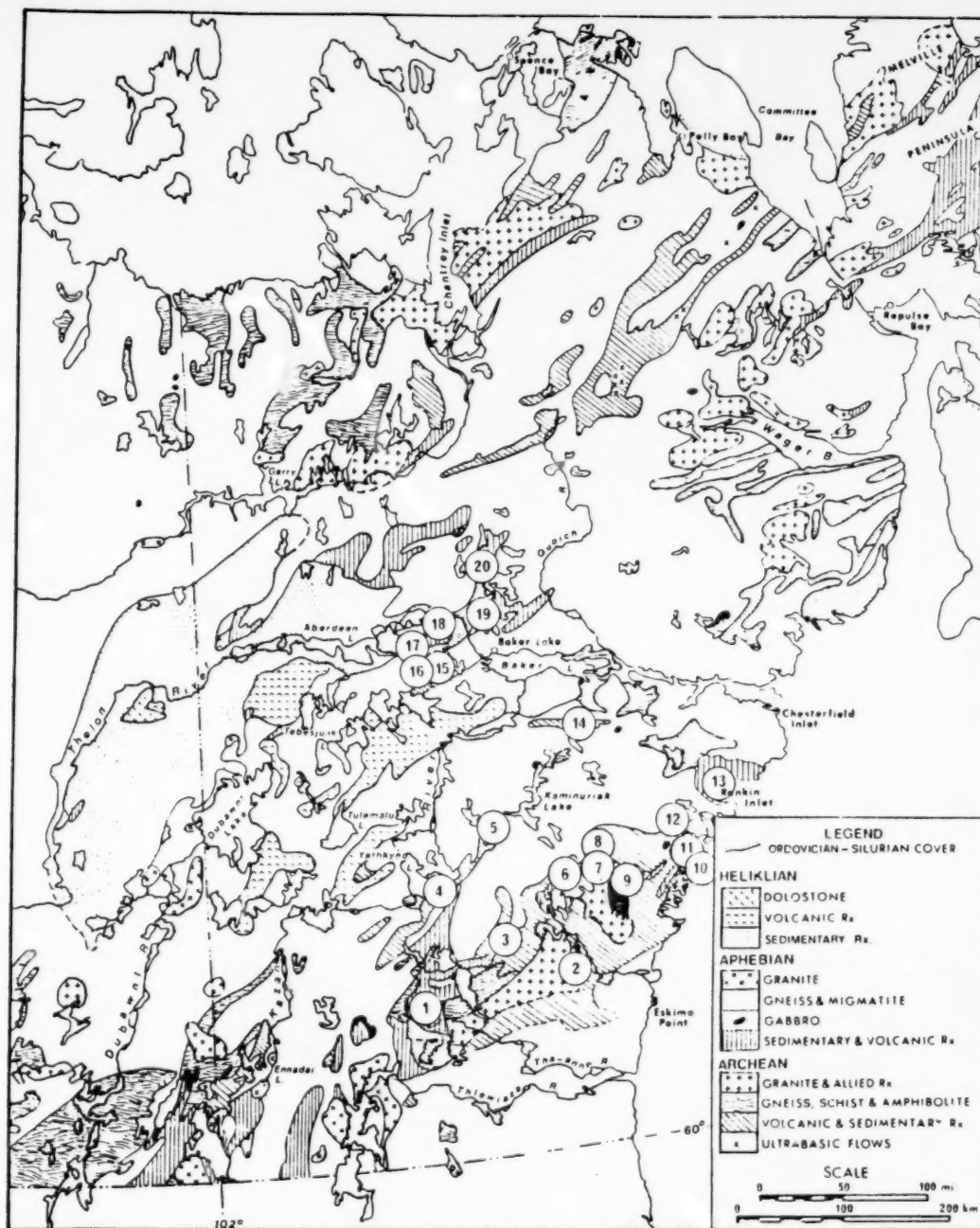


Figure 4: Exploration expected in the Keewatin District.

PINE POINT AREA

Pine Point Mines Limited have begun IP surveys and plan diamond drilling in the spring as part of a two million dollar exploration program.

CORDILLERAN REGION

No claims were staked in the NWT Cordillera in 1986 and few projects are anticipated in 1987.

Equinox Resources Limited will field a small crew reconnoitre NTS 95 M/7 held under Prospecting Permit #1113.

Procan Exploration Company Limited may bulldoze trenches on its Prairie Creek silver-lead-zinc property.